

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

VITAMIN RESEARCH PRODUCTS, INC.,
Debtor.

Case No. 91-56061-MM
Chapter 11

DURK PEARSON and SANDY SHAW,
Plaintiffs,

Adversary No. 92-5343

vs.

MOTION FOR CONTEMPT

VITAMIN RESEARCH PRODUCTS, INC.,
Defendant.

FACTS

This Court signed a Temporary Restraining Order in this case on June 26, 1992 restraining the Debtor from manufacturing any of the Plaintiffs' formulations, from transferring such formulations after July 15, 1992, and from selling such formulations through July 15, 1992 without effective products liability insurance coverage. The Plaintiffs have moved this Court to find the Debtor in contempt for violating the TRO by continuing to sell the Plaintiffs' formulations, by continuing to manufacture the formulations, and for the failure to furnish Plaintiffs with adequate proof of products liability coverage.

DISCUSSION

Civil contempt orders serve to compel obedience to a court order and to compensate parties for losses resulting from non-compliance with a court order. In re Haddad, 68 Bankr. 944, 952 (Bankr. D.Mass. 1987). Determining if a party has committed civil contempt involves essentially only consideration of whether the party knew about a lawful order and whether he complied with it. In re Walters, 868 F.2d 665, 670 (4th Cir. 1989). It is a serious sanction that should be exercised only in the most egregious of circumstances and then primarily for the purpose of controlling cases and proceedings, and the behavior of parties before the court. In re Smith and Son Septic and Sanitation Service, 88 Bankr. 375, 379 (Bankr. D.Utah 1988). The contempt power should not be used when the Bankruptcy Code provides a specific and more adequate remedy. In re Cordova Gonzales, 99 Bankr. 188, 191 (Bankr. D. Puerto Rico 1989).

I have reviewed the pleadings submitted and the declarations in support thereof, and I am not persuaded that the Debtor has violated the terms of the TRO that was entered on June 26, 1992. What this appears to be is a "shouting match" between two parties whose business relationship has soured. The Court believes that a finding of contempt is inappropriate in this circumstance. Therefore, I'm denying the relief requested.